

OFFICIAL FILE

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13 May 1971

MEMORANDUM FOR: Deputy Director for Support

SUBJECT : Proposed Office of Finance Staffing
Complement for FY 1972

REFERENCE : Your Memorandum dated 2 April 1971,
Subject: Personnel Ceilings for FY 1972

1. This memorandum discusses the organization and staffing structure of the Office of Finance and contains a recommendation for your approval. The recommendation is included in paragraph 10. below.

2. The organization and staffing structure of the Office of Finance was last reviewed in depth in late 1968. At that time the Office was reorganized into three major areas, each headed by a Deputy Director of Finance. Except for adjustments necessary to accommodate to ceiling reductions, there have been essentially no changes in either the organization or grade structure since 1968. However, during the past two years, there have been a number of changes in the scope and magnitude of our financial support responsibilities which, combined with a further reduction of six positions in our ceiling for FY 1972 -- [REDACTED] positions --, suggest that a current review and realignment be made of the organizational structure of the Office. The concomitant minor position changes would result in an extremely modest increase in the Office average grade.

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3. Following a careful assessment of our current mission and in consideration of our reduced ceiling for FY 1972, I feel that the three major areas of the Office should be retained as at present, but that minor changes should be made in several of the divisions and staffs to further improve our responsiveness to the financial support requirements of the Agency. Specifically, the changes envisaged are identified below and are discussed briefly in Paragraphs 4. through 6. below.

a. Consolidate the Industrial Contract Audit Division and the Proprietary Systems and Accounts Division into a new Commercial Systems and Audit Division.

b. Reorganize the Compensation and Tax Division and provide the position structure necessary to increase the level of its staffing competence.

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GROUP 1
Excluded from automatic
downgrading and
declassification

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c. Reorganize the Certification and Liaison Division by consolidating its functions into two (from the present three) branches.

d. Augment the staffing capability of the Analysis and Liaison Staff.

e. Make such other minor internal position adjustments as are necessary to meet our current and projected staffing and support requirements.

4. The realignment of the Industrial Contract Audit Division (ICAD) and the Proprietary Systems and Accounts Division (PSAD) into a single Commercial Systems and Audit Division (CSAD) will provide for more effective utilization of available manpower, will facilitate the orientation and training of personnel in highly specialized audit techniques and treatment of tax requirements, and will decrease the investment in supervisory overhead. The centralized direction of both the former ICAD and PSAD functions through the three branches proposed (i.e., Western Audit, Eastern Audit, and Proprietary Systems Branches) will provide the degree of flexibility necessary to accommodate to seasonal workload peaks while at the same time providing the minimum staff needed to ensure continued responsiveness to essential audit and survey requirements.

5. With the development and implementation of the Agency's new automated payroll system, certain changes in the work and overall level of responsibility of the Compensation and Tax Division are apparent. Concomitant with the greater efficiency of the new system, which will enable the Division to accommodate to a steadily increasing workload with essentially no change in total manpower, there is an obvious shift away from the amount of purely clerical-level work required to perform the basic payroll functions. Staff personnel will now be required who have the capability and competence to interpret and analyze the products and by-products of a more complex and sophisticated payroll operation. Effective controls must be developed, implemented, and monitored to ensure reliable and accurate output and to minimize the risk of errors which would be difficult to detect in the computer processing involved. To ensure effective operation of the new automated payroll system better trained and more experienced staff personnel will be required than have been necessary in the past. The new organizational and staffing structure proposed for the Compensation and Tax Division provides what I believe to be the minimum necessary to meet our payroll and related support responsibilities.

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My proposal includes realignment of the payroll function on a geographic basis (i.e., foreign and domestic), and represents a modest restructuring of certain key positions. Since our current request for upgradings is believed to be not only minimal but also quite conservative, it may well be necessary to seek further reclassifications at a later date when the new payroll system becomes fully operational and our overall staffing needs can be more realistically evaluated.

6. The realignment of the Certification and Liaison Division from three to two branches will facilitate the consolidation of working files into a more centralized system which would have the by-product advantage of eliminating duplicate files. The proposed two-branch structure also would permit a more equitable distribution of work for our auditors, would provide added staffing flexibility in meeting workload peaks, and would facilitate informal rotation of personnel thus contributing to the development of their professional capabilities. The new Certification Branch (combining the activities and resources of the present Covert Activities and Procurement Activities Branches) will be housed in a secure area which combined with the elimination of duplicate files will permit the release of over thirty four-drawer safes.

7. When the present Analysis and Liaison (A&L) Staff was established in late 1968 as a part of the last major reorganization of the Office, I envisaged a small staff charged with the responsibility for coordinating, monitoring, and reporting on the overall financial analytical efforts of the Office. It is now clear that the magnitude of the staff required for these efforts was underestimated. While financial analysis which is basic to the unique responsibility of each of the divisions of the Office is generally carried out in those divisions, the need for identification and initiation of systems analysis which transcends functional responsibilities is becoming increasingly apparent. With the expanded use of computer techniques to general financial and budgetary support activities, the new automated payroll system along with other ADP applications of paramount concern to the management and control of the Agency's financial operations, we have found it necessary to assign additional highly-skilled finance officers to the A&L Staff. We now propose to further augment the personnel capability of this Staff in keeping with current and anticipated requirements for centralized financial and systems analysis.

8. Other staffing changes proposed include:

a. Deletion of the authorization for the position of Deputy Director for Finance Operations and use of the Supergrade authorization for the position of Chief, Monetary Division which formerly was approved at the GS-16 level. The Finance Operations

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directorate (consisting of the Monetary, Compensation and Tax, and Certification and Liaison Divisions) would be retained and would continue to be administered, as at present, by the Deputy Director of Finance.

b. Establishment of a new position of Deputy Chief, Policy and Planning Staff to provide essential back-up and depth in this important staff function.

c. Minor position adjustments in other components necessary to accommodate to current and anticipated staffing requirements consistent with present and projected workload commitments.

9. The organizational and staffing changes discussed herein will adjust the present Office of Finance ceiling to that programmed for Fiscal Year 1972 (i.e., [REDACTED] positions). The Staffing Complement proposed does not alter the present number of positions at the GS-14 level and above (in fact there is no change in the number of positions at grade GS-12 and above), but does reflect a very modest increase in the Office average grade. Specifically, the Office average grade will be increased by .213 -- from GS-8.856 to GS-9.069. It should be noted that of the total increase in average grade, about half (.107) results exclusively from the FY 1972 ceiling reduction of six positions while the remainder (.106) represents the modest reclassifications necessary to meet our estimated staffing needs. I have carefully examined the overall Office of Finance grade structure with the view to making compensating changes to avoid an increase in our average grade. Although some changes have been made, I do not feel that others can be effected to totally offset the requested increase in average grade without jeopardizing our ability to maintain the staffing necessary to effectively carry out our assigned mission and responsibilities. Attached as Tab A is a summary table reflecting the number of positions at each grade (a) under our current Staffing Complement, (b) under our current Staffing Complement adjusted for our FY 1972 ceiling reduction, and (c) for our proposed FY 1972 Staffing Complement. Attached as Tab B is our proposed Staffing Complement for Fiscal Year 1972 which incorporates the organizational and staffing changes discussed herein.

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10. It is recommended that (a) the proposed organizational and staffing structure for the Office of Finance as reflected in Tab B be approved, and (b) that our request for an exception to the average grade controls (Tab C), involving a proposed increase in average grade of .213 -- from GS-8.836 to GS-9.069 --, be endorsed to the Executive Director-Comptroller for approval.

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L. E. Bush
Director of Finance

Attachments

- Tab A - Grade Summary
- Tab B - Proposed Staffing Complement
- Tab C - Memorandum for Executive Director-Comptroller

Recommendation contained in Paragraph 10. is approved disapproval.

John W. Coffey
Deputy Director for Support

Date

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